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DEPARTMENT OF STATE
BRIEFING MEMORANDUM

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October 13, 1976
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To: The Secretary

From: EA - Arthur W. Hummel, Jr. *AWH*

Developments in China - Policy Implications

Events in Peking are still breaking rapidly, but developments to date suggest there has been a coup de main by Hua Kuo-feng, presumably with key military backing, against the radical elements in China's top leadership organs. While it is too early for definitive and confident analysis, we believe that if the radicals have been ousted from the leadership group, the sharp divisions that have persisted in China's leadership for over a decade will be reduced or eliminated, and the net result will be favorable from the standpoint of US interests.

At the same time, we cannot automatically assume that developments of the last few days are irreversible and that consolidation of the new leadership will be completed with as little surface signs of resistance as were the first steps in the process. Several anomalies remain unexplained, e.g.:

-- the absence of a formal official announcement concerning Hua's appointment to the party chairmanship.

-- the apparent absence of special security precautions during this critical period.

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The delay in officially announcing Hua's new positions except through wall posters and private meetings could be explained by several considerations. Most importantly, for Hua to be confirmed in the position of Premier, formerly held by Chou En-lai, as well as the two positions held by Mao (Chairman of the Party and of the Military Commission) would result in an unprecedented and, at least in Chinese eyes, unseemly concentration of power in his hands. For this reason, there is a strong possibility that Hua will give up the Premiership. If so, the announcement concerning his assumption of the Party chairmanship may be held up while a final decision is reached on who will succeed him as Premier. In the meantime, Li Hsien-nien, who is the ranking Vice Premier following Chang Chun-chiao's apparent fall from grace, functioned as acting premier in everything but name during the visit early this week of the Prime Minister of Papua New Guinea.

Secondly, the central leadership may not wish to issue an announcement that could precipitate resistance in outlying regions until the circumstances have been explained to Party members and the loyalty of key political and military figures has been assured. Briefing 30 million Party members is no easy task, but the process appears to be underway. In the meantime, there are signs of a high-level leadership meeting in Peking, which is presumably intended to resolve as many remaining issues as possible. If the meeting is successful, an announcement concerning Hua could follow shortly after its conclusion.

The security picture is perplexing, with a surprising calm seeming to prevail. Given the momentous nature of the developments being reported from Peking, it is remarkable that even in cities such as Shanghai, a presumed radical stronghold, there have been few, if any, signs of resistance. How long this situation persists may provide some clues to the strength of Hua's position. For the moment, at least, he seems to have successfully decapitated the radical faction, leaving other radical elements confused and disorganized.

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Policy Implications

If Hua succeeds, China could complete the post-Mao transition process much faster than expected and emerge with a consolidated leadership capable of engaging in serious negotiations with the United States on normalization issues. Preliminary indications are that the purge of the radicals has not affected the PRC's anti-Soviet orientation but may improve prospects for further positive steps in US-PRC relations. These indicators include:

-- Chiao's UN speech, which stressed the continuity of China's foreign policy in the post-Mao era but was more explicit than last year's in its treatment of the US as a lesser threat than the USSR.

-- The abandonment of the tough language on Taiwan first used by Chang Chun-chiao with Senator Scott in July this year. The "noose around the neck" analogy has not been used since Vice Foreign Minister Wang Hai-jung's meeting with the Congressional Staff Delegation in late July. Chiao Kuan-hua reverted to a standard non-belligose line on Taiwan during his meetings with Schlesinger on September 6-7, and Vice Premier Li Hsien-nien told Senator Mansfield October 9 in discussing Taiwan that "patience is possible... we have time enough."

-- A news program on Peking TV October 9, which ran a film concerning Chenpao Island (the scene of bloody battles with the USSR in 1969) was immediately followed by a clip of "American friends in the US mourning Chairman Mao." A Chinese official specifically drew the attention of a visiting British group to this program the next day:

These indicators are consistent with the view that the purge of radical elements will make China's leadership less inclined to use tough talk to maintain pressure on the US over the Taiwan issue.

Obviously we must wait for further developments to give us a clearer picture of what is happening in Peking. In the meantime, we should continue to avoid any comments by USG officials. We should also be looking for ways to signal our continued interest in improving Sino-US relations. The CDC decision is conveniently timed in this regard.

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NOTE: The foregoing is predicated on the successful moves of the moderates to quell opposition (or coup attempts) by radicals. There is another scenario that would flow from somewhat different events and different interpretations; that is, if radical elements are not peacefully contained, and if sustained dissidence emerges. There may be little point in examining a contingency that has not yet arisen. However, some of us are dismayed at the re-emergence of an anarchic and disruptive political style reminiscent of the Lin Piao affair of 1971 and other previous purges of high-level figures. We will be looking for signs that this outwardly mature and homogenous communist system is now producing political behavior that is destructive to overall PRC goals and that has its roots in personal ambitions.

EA/PRCM:JS¹²Roy:ced

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